Corporation. All further adjustments have since been stopped in these cases and the employer has been advised to stop deductions. Action is being taken to refund the amount wrongly received. One employee of the LIC has been placed under suspension. Separately, certain irregularities were also noticed in sanctioning loans. Both the matters are being investigated by LIC.

Withdrawal of the Powers of indirect tax tribunals

3993. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to withdraw the powers of the Indirect Tax Tribunals to grant stay in the event of disputes in the assessment of excise and customs duties:

(b) if so, what are the details in this regard;

(c) to what extent the Tribunal's powers to grant stay have affected the revenue collections during each of the last three years;

(d) whether Government propose to set up a Settlement Commission; and

(e) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The existing provisions provide that where in any appeal, the order appealed against relates to any duty and interest or any penalty levied, the appellant shall, pending the appeal, deposit the duty and interest demanded or the penalty levied. However, where in any particular case, the Appellate Tribunal is of the opinion that the deposit would cause undue hardship to the appellant, it may dispense with such deposit subject to such conditions as it may deem fit to impose. No such provision for dispensing with deposit has been made in the proposed amendment contained in clauses 42 and 44 of the Finance Bill, 1993.

(c) The requisite information is being collected and will be laid on the Table of the House.

(d) and (e) The details of the proposed Settlement Commission are under examination.

Yeltsin has the last laugh

3994. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the newsitem captioned 'Yeltsin has the last laugh' which appeared in the Observer of Business & Politics, Bombay dated First February, 1993; and

(b) if so, what are the facts and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) The former USS extended to the Government of India a number of state credits for both defence and civilian sector projects in India. The credits were denominated in roubles but repayments by India were to be made in rupees by means of export of Indian goods. The rate of exchange between the rupee and the rouble was established by the Protocol of November, 1978 between the two countries. The formula provided for changes in the value of the rupee in relation to a 16 currency basket (the old SDR basket) but assumed that the value of the rouble to be invariant. In accordance with this formula, the rouble appreciated from Rouble 1-Rs. 10 when the 1978 Protocol was signed to Rouble 1-Rs. 31.7874 when the exchange rate was last notified on 17.11.91 before the dissolution of the former USSR. There was no provision for the cross parity principle in

the 1978 Protocol and this could not be applied in the new agreement which was concluded between India and Russia during the recent visit of Rusian President Yeltsin in India in January, 1993 for determining the rupee value of the rouble denominated debt.

The agreement provides for the principal amount of the debt as on 1.4.1992 being converted from roubles to rupees using the exchange rate on 1.1.1990 as determined by the old 1978 Protocol (Rouble 1-Rs. 19.9169). The amount of the principal debt as on 1.4.1992 would also be converted from roubles to rupees using the exchange rate on 1.4.1992 as determined by the 1978 Protocol (Rouble 1-Rs. 31.7514). The difference in the two amounts as calculated above would be fixed in rupees and would be rescheduled and repaid in annual instalments over a period of 45 years. This rescheduled portion would carry no interest. It will also have no protection against any fluctuation in the value of the rupee for a period of 5 years. Thereafter, it will be indexed to the SDR if the average annual depreciation of the rupee exceeds 3 per cent over this 5 year period. Similar reviews will be conducted at the end of every five year period. The non-rescheduled portion of the debt will be the amount in rupees corresponding to the conversion of the rouble debt at the exchange rate as on 1.1.1990. This amount would henceforth be denominated in rupee and repayments of the principal and interest on this portion of the debt would be effected by India in accordance with the schedule in force for each of the relevent inter-Governmental credit agreements. The rupee payments in respect of principal and interest of this non-rescheduled portion of the debt would, however, be protected by adjusting the rupee amounts in line with future changes in the rupee value of the SDR basket of 5 currencies. The existing arrangement of using the credit repayments for export of Indian goods and services to Russia will continue. In quantitative terms, the outstanding rouble debt as on 1-4-1992 was about Roubles 9871 million. In accordance with the agreement, this amount converted at the exchan-rate prevailing on 1-4-92 comes to Rs. 31342 crores. The same outstanding principal converted at the exchange rate prevailing on 1.1.1990 comes to Rs. 19660 crores. Thus the principal outstanding of Rs. 19660 crores will continue to be paid with interest in accordance with the existing scheduled of payments while Rs. 11682 crores will be rescheduled over 45 years.

Under the agreement about 37 per cent of India's outstanding debt to the former USSR has now been rescheduled on soft terms over 45 years. The provision for repayment of the debt by export of Indian goods and services will also provide a stimulus to Indian exports and set the stage for a strong resumption of trade and other forms of economic cooperation between our two countries.

Illegal operation involving Russian Roubles

3995. SHRI SATYA PRAKASH MALAVIYA:
SHRI DIGVIJAY SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a major clandestine operation involving crores of Russian rouble and the Indian rupee have been unearthed by the Enforcement Directorate;

(b) if so, what are the details thereof stating;

(i) the overseas agencies and the Indian agencies involved in the racket;

(ii) the estimated amount of Ruble-Indian Currency involved;

(iii) the *modus operandi of* the racked involved; and

(c) the measures taken/proposed to be taken by Government in the matter?